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ABSTRACT

This document contains minutes of the fifth meeting of the National Advisory Commission on Work-Based Learning. The meeting's stated objective was to produce a set of specific action steps for the U.S. Department of Labor to promote work-based learning. A summary of introductory remarks (Jack MacAllister) is followed by a description of the presentation of the "Framework for Action" (Pete Carlson), which was drafted to serve as a conceptual framework for the commission's work. Remarks by Delbert Spurlock pertain to the current and future directions of the commission. Summaries are then provided of reports from the six commission subgroups on Skills Standards and Certification, Integration of Human Resources and Technology, Human Resource Accounting, Human Resource Awards, Labor-Management Cooperation, and Managing Diversity. A summary of a status report (Robert Jones) on Labor Department activities that would affect the commission and its work appears next. Plans for moving forward are reviewed by Jack MacAllister. Attachments to the 13 pages of minutes are reports from the following: the Working Group on Skills Standards and Certification; Subgroup on the Integration of Technology Diffusion and Human Resource Development; Diversity Subgroup; Subgroup on Labor-Management Cooperation; and Human Resource Accounting Subgroup. These reports discuss mission, activities, strategies, proposed action, and recommendations. A draft of the "Framework for Action" is also appended. (YLB)

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NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING

MINUTES OF FULL COMMISSION MEETING

GRAND HOTEL
WASHINGTON, DC
APRIL 7, 1992

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NATIONAL ADVISORY COMMISS.ON ON WORK-BASED LEARNING
MINUTES OF FULL COMMISSION MEETING
WASHINGTON, DC
APRIL 7, 1992

Commissioners in Attendance

Jack MacAllister	US WEST, Inc.
Deane Cruze	The Boeing Company
Robert DeMattia	The Robert A. DeMattia Company
Henry Henderson	HF Henderson Industries
John Jacob	The National Urban League
Ira Magaziner	SJS, Inc.
Gov. John McKernan	State of Maine
Doris O'Connor	Shell Oil Foundation
Lino Piedra	Chrysler Corporation
Kent Sharples	Horry-Georgetown Technical College
Ray Siehndel	Washburn University
John Sweeney	Service Employees International Union

Substitutes in Attendance

Charles Bradford	International Association of Machinists and Aerospace Workers Representing - George Kourpias
John Smith	United Steelworkers of America Representing - Lynn Williams

Commissioners in Absentia

Carol Ball	Ball Publishing Company
Pat Daly	Patrick F. Daly & Associates
Liz Karnes	Boys Town
Allen Jacobson	3M Corporation

NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING
MINUTES
APRIL 7, 1992

Jack MacAllister, Chairman of the National Advisory Commission on Work-Based Learning, opened the fifth meeting of the Commission, describing the meeting as a milestone in the life of the Commission. He noted that the Commission had been working for over a year to develop specific recommendations for the Secretary of Labor. He cited the good work the subgroups had done in reaching out to others working on the same issues to build networks of experts and practitioners, giving the Labor Department the opportunity to move forward with a wide range of ideas and a coalition of people already engaged in work-based learning.

MacAllister then outlined his expectations for the meeting. He expressed his hope that the meeting would produce a set of specific action steps for the Labor Department to promote work-based learning. Following that, the next step for the Commission would be to seek a response from the Labor Department on which recommendations they choose to implement and what role, if any, the Department would like the Commission to play in their implementation.

Framework for Action

MacAllister then called on Pete Carlson, Managing Director of the Commission, to present a document that the staff had drafted to serve as a conceptual framework for the Commission's work.

Carlson noted that the "Framework for Action" is a revised version of the document considered by the Commission at its September 17 meeting, incorporating feedback and lessons learned since the earlier draft. Carlson explained that the purpose of the document is to capture the lessons learned by the Commission and to share them with others who might benefit.

Carlson began by describing some the Commission's early decisions about how to approach its work. The ongoing nature of the Commission suggested the need for a partnership with the Labor Department, something closer than the typical arms-length relationship. The Commission decided to be action-oriented, working with the Labor Department to implement specific recommendations, not just develop a political consensus on difficult issues, produce a report, and go out of business. Recognizing that there is a wealth of knowledge and experience outside of its membership, the Commission decided to build networks of experts to solicit their input and their involvement in implementation. Finally, the Commission decided to build on initiatives

already under way, identifying ways that the federal government can add value to ongoing efforts, rather than searching for a silver-bullet solution to complex problems.

Carlson noted that although the Commission was established to advise the Secretary of Labor on how to raise the skill levels of the American workforce, it reached the conclusion very quickly that higher skills alone are not sufficient to achieve higher productivity growth. A lot depends on how and whether those skills are used. Since the critical issue is not just low skills, but low productivity growth, the Commission determined that a national strategy for raising skill levels has to fit within a broader strategy for improving productivy growth.

Based on its study, the Commission agreed that the slowdown in US productivity growth has had a significant impact on the market share of major US industries and on the living standards of American workers and their families. The explanation for the slowdown is that fundamental changes in technologies and markets have reduced the advantages that the US once enjoyed. As a result, traditional macroeconomic strategies for increasing productivity are no longer as effective.

Carlson noted that the public policy debate concerning a new productivity strategy had focused primarily on investments in new technology and on improving education. He suggested that the debate had overlooked a critical factor in productivity growth. An analysis of the economic literature on productivity growth conducted by Tony Carnevale at the American Society for Training and Development found that while new technologies and formal education account for 40 percent of nation's productivity growth in this century, 60 percent of productivity growth can be attributed to learning on the job, or "work-based learning."

Carlson explained that contrary to the conventional wisdom, work-based learning is more than just formal training. It is the process of gaining new knowledge and skills from experience on the job, then applying them to making refinements and improvements in how the work gets done. He cited the example of an employee at Diamond Star Motors who the Commissioners met during a site visit there. The employee, and his work team, had identified and solved a problem with a conveyor system that was destroying wooden pallets and the parts they carried. The company provided the training in statistical process control, the time to analyze the problem, and the additional personnel to fix it. The work team provided their knowledge of the process and their insights on how it could be improved. The result was fewer damaged pallets and parts, and more confidence, commitment, and effort on the part of the employees who had been empowered to solve the problem.

Currently, most companies rely on a small, highly educated segment of the workforce to apply work-based learning. Typically, engineering departments, research and development laboratories, and university-based research programs are responsible for innovations and improvements. The example from Diamond Star Motors and other sites

suggests that there is considerable untapped potential for work-based learning among the remaining employees, who comprise the vast majority of the American workforce.

Carlson observed that most companies are not currently organized to reap the benefits of work-based learning. Their organizational cultures and systems do not allow for the full utilization of employees' knowledge, skills, and creativity. He noted, however, that a growing number of companies are adopting total quality management approaches that accelerate the learning process by simultaneously upgrading skills, making more effective use of technology, and restructuring work. Among these companies undergoing this difficult and complex change process, there is a strong desire for federal support and assistance.

Carlson described the Commission's efforts to flesh out a strategy for the Labor Department to address this need. He noted that the Action Plan agreed to at the September 1991 meeting was a first cut at such a strategy. The six areas in which the Commission has been working are all designed to support the changes currently going on inside American companies. The specific recommendations from the subgroups on how to move forward in each area, to be discussed at this meeting, represent the second installment in the Commission's promise to deliver a continuous stream of action steps.

Following the presentation, Commissioners raised a number of points. MacAllister highlighted the contrast between the proactive and supportive Labor Department role the Commission is proposing and the traditional regulatory and enfocement role that has characterized its efforts in the past. Several Commissioners were concerned that the Commission seemed to be downplaying the importance of adequate preparation prior to work. Gov. McKernan expressed his belief that making sure that young people have the skills they need to be competitive is as important a function for the Commission as retraining the existing workforce. One Commissioner expressed his reservation that too much reliance is being placed on voluntary efforts by companies. He suggested that additional incentives or minimal federal standards may be required to bring about change.

Remarks: Delbert Spurlock

MacAllister then recognized Delbert Spurlock, the Deputy Secretary of Labor, who had joined the Commissioners during discussion of the "Framework for Action", and asked if he would like to address the group.

Spurlock spoke to the group regarding the current and future directions of the Commission. He started by endorsing the Commission's finding that total quality management strategies require significantly greater commitments to human resource development within American companies. "The kind of cultural change, the kind of values commitment, which you are asking American companies [to make] cannot be

made unless that kind of commitment and values change are made in the society at large," he said.

Spurlock explained his belief that improving American productivity must occur through corporate structure and delivery systems as well as the larger societal context. He strongly suggested that the Commission was well positioned to promote these issues in the broader context, and he encouraged Commissioners to talk about societal change to encourage and reinforce internal changes.

Spurlock proceeded to illustrate how the key elements of the Commission's work represent values that must gain acceptance in the broader society in order to gain widespread adoption in our institutions. He cited valuing diversity and labor-management cooperation as two examples. If it does not happen in the larger society, it will not happen in corporations.

Spurlock then encouraged the Commissioners to play an active role in helping the Department determine how it is going to be organized to carry out its new responsibilities. This is one of the principal issues facing the Secretary right now, since she has committed to reorganize the Department along lines that focus significantly and specifically on the kinds of issues that the Commission addresses. Spurlock suggested that the work of the Commission would be quite valuable in the Departmental restructuring now envisioned.

MacAllister and Spurlock then engaged in a discussion about the importance of the Department of Labor committing itself to educating Departmental employees about diversity to ensure that there is a true commitment to valuing diversity at the Labor Department before becoming a model or a promoter among American corporations. MacAllister asserted that you can't be a proponent of any issue unless you're a model on the issue. Both agreed that action must go beyond the traditional government response that involve numerical kinds of solutions, including affirmative action, or equal opportunity, to working at the heart of the problems.

Subgroup Reports

The next segment of the meeting was devoted to reports from the six Commission subgroups. MacAllister began by calling on Ira Magaziner, chair of the **Subgroup on Skill Standards and Certification.**

Magaziner described some of the current activities of the subgroup, reporting on plans for five public hearings to be conducted during April, an issues paper to be distributed widely to spur discussion on this subject, pilot projects with as many as 12 to 14 industries in the next year, and a research program to gather information on how standards are set in other countries.

Magaziner then shared some personal concerns about the slow pace at which the work was proceeding. Specifically, he detailed the need for additional staff support for the subgroup, the slow pace of implementation of the decision to expand the subgroup to 25 members, the slow pace of developing the partnership with the Department of Education and lack of mutual understanding of respective roles, the lack of commitment to a research agenda, the unresolved process for setting criteria for bidding on industry pilot projects, and the cumbersome approval process for the Federal Register notice. Magaziner noted that, despite lengthy delays, the hearings were going ahead. On the other hand, the rest of the process had stalled, awaiting Labor Department action.

Magaziner closed by requesting resolution on four issues: providing additional staff support, promoting better DOE-DOL cooperation, removing bureaucratic roadblocks, and committing long term funding to this effort. He suggested that the Commission should request clarification of expectations and commitments from the Secretary or other person in authority.

Other members of the subgroup spoke in support of Magaziner's remarks. Chairman MacAllister suggested that these issues be included in a letter to the Secretary and that Commissioners discuss it with her personally.

Deane Cruze spoke about The Boeing Company's position on skills standards, expressing his desire that skill standards not apply to jobs beyond the entry level. Cruze stated that government involvement in corporate internal affairs raises issues about the rights of an employer and its unions to jointly negotiate wages unhindered by other practices within the industry. Magaziner responded by assuring Cruze that labor and worker representation in the process is essential. Moreover, Magaziner noted, "[we are] not trying to dictate to a company its own internal usage of those [certifications]."

Next, Gov. John McKernan reported on the work of the **Subgroup on the Integration on Human Resources and Technology**. He first expressed concern about getting the Departments of Education and Labor to work together better. McKernan stated that he had spoken to DOE officials about the importance of their involvement in work-based learning and work force retraining issues as part of the America 2000 agenda.

The Governor explained that the subgroup had made progress on the first two charges, identifying existing networks, and beginning to link those networks through a meeting convened in February. The work in the next few months will focus on collecting and providing the kinds of information that these organizations would find useful. McKernan mentioned the subgroup's role in shaping the Department's emerging TEAMS (Technical and Education Assistance for Mid- and Small-Sized Firms) agenda -- redirecting that effort to focus on supporting organizations already involved in modernization rather than retailing services directly to smaller employers.

The subgroup's recommendations advocated action in several areas: convening officials

of leading/innovative states; supporting industry associations with technical assistance; promoting this agenda through support via large company supplier networks; exploring possibilities for joint action with the Department of Defense; coordinating these efforts with other organizations; and better focusing the TEAMS effort.

In responding to the subgroup report, MacAllister offered that the greatest value of an independent Commission is to tee up issues where the Commission is either frustrated by the slowness of response or where it disagrees with something that the Labor Department is doing or how it is being done.

Deane Cruze and Linda Martin reported for the **Subgroup on Human Resource Accounting**. Cruze provided details about a subgroup meeting where Commissioners and invited experts discussed the feasibility of changing current accounting practices to increase incentives for corporate investment in people. A revised accounting system would, perhaps, more accurately reflect the value of the knowledge and skill of a company's employees as key strategic assets than occurs under the current accounting principles in use.

Martin summarized three key themes of the subgroup meeting discussion. First, small and mid-sized firms have a particularly acute need for capital to invest in training and it may be appropriate and advisable for government to assist in this function. Second, training should be conducted as an integral part of the business strategy. Finally, employment security achieved by individuals will provide essential portable skills.

The consensus of the group assembled regarding the bigger question was that changing accounting principles would not significantly impact investment patterns. As an alternative, Cruze cited examples of several existing business tax credits in the U.S tax code to support various national priorities, and suggested that a training investment credit was a more suitable approach to encouraging investment, especially among small- and mid-sized firms.

Cruze proposed that the human resource accounting subgroup should now be merged with the subgroup to develop criteria for a national human resource award to jointly work on: defining indicators that motivate and measure human resource development within companies, and to identify and develop enabling tools to stimulate industry investment.

Chairman MacAllister encouraged further work to be done in the tax credit area. Governor McKernan suggested that it would have to happen at the national--not the state--level in order to have significant impact. Charles Bradford encouraged the group to consider the "play-or-pay" approach whereby employers who don't invest in training must contribute to a fund for training. McKernan told of a British proposal to charge companies that hired away employees for the value that the initial company had added through investments in training, in order to discourage pirating. The Governor further

suggested that an extensive review of the available research and policy options was the logical next step, and all agreed

Lino Piedra and Betsey Blakeslee reported for the **Subgroup on Human Resource Awards.** Piedra described the transition from the Department's current LIFT Award to a new human resource development award now being devised by the subgroup. The new award would be based on--but expand greatly--the human resource criteria incorporated in the Malcolm Baldrige National Quality Award.

Blakeslee presented a preliminary framework for the proposed award. The fundamental difference between this award and LIFT is that evaluation would emphasize the degree to which performance in the identified categories is linked to the company's overall business strategy. "This is not an award for a human resources department in a company; this is an award for a company that excels in the development of human resources," she said.

To illustrate the breadth of coverage for this award, Blakeslee cited some of the proposed categories to be examined: leadership; succession planning; training; rewards and recognition; managing diversity; health and safety; financial systems; labor relations; and community relations.

Henry Henderson argued that, for wider impact, he would prefer an approach whereby the Department would certify employers that meet high standards in these categories, rather than singling out just a few employers for recognition. Deane Cruze expressed concerns about the inclusion of compensation, financial, and health and safety systems, and argued for the explicit inclusion of application of quality principles.

Robert DeMattia expressed concern that small employers may not have the resources to apply for such an award. Kent Sharples cautioned that government certifying businesses sounded quite regulatory and intrusive. Doris O'Connor cautioned that the proposed definition of human resource development is overly broad.

Pete Carlson stated that the hardest part of this effort is determining the appropriate criteria, not the appropriate form it should take. "This award should provide a system for accounting for companies' progress in human resource development," he argued.

John Sweeney reported on behalf of the **Subgroup on Labor-Management Cooperation.** Sweeney started by tracing the evolution of the Department's role over the last 20 years in promoting cooperative labor-managmenent relations across the country. He cited increasing corporate demand for information and assistance in developing new models for cooperative efforts in order to promote high quality and productivity. Sweeney also mentioned the imminent closing of the Bureau of Labor-Management Relations and Cooperative Programs (BLMRCP), the operational unit within DOL responsible for labor-management relations activities, and the Departmental reorganization, as key

events in this work.

Sweeney also reported on a roundtable meeting of labor-management experts convened by the subgroup. The group identified more cooperative relationships and employee involvement in problem solving and decision making as important goals of labor-management cooperation. Roundtable participants urged the DOL to use the proposed reorganization to establish a decentralized service delivery structure that builds on existing networks to provide information and technical assistance to customers, including private and public employers and labor.

The subgroup recommended the following actions for DOL: initiate research on the scope and effectiveness of current labor-management strategies (in both unionized and nonunionized companies) and existing networks providing assistance; develop pilot projects that address obstacles to increased cooperation; and identify obstacles in existing public policy to enhanced cooperation. In addition, the subgroup expressed strong disappointment that BLMRCP--which is doing excellent work and has established much credibility for DOL in this area--is about to be eliminated.

Doris O'Connor reported for the **Subgroup on Managing Diversity**. O'Connor described several different reasons for supporting diversity in the work place. Traditionally, diversity has been seen as a fairness issue, or that people from different cultures as create problems to be managed. O'Connor spoke about a very different way of thinking found in leading edge firms today: valuing diversity as a strategic competitive asset; an opportunity and advantage, not a problem.

These employers are finding it essential to use the skills and knowledge of all employees in order to keep productivity and quality high. O'Connor talked about the manner in which these businesses build worker self esteem, which translates into improved commitment to business success.

O'Connor identified the subgroup's mission as identifying new models for integrating people from diverse backgrounds, and proposing ways for DOL to promote them broadly. The subgroup has been working closely with DOL officials active on this issue and with those involved with the Glass Ceiling Commission as well.

O'Connor reported that the subgroup had received diversity training from an expert who related it to the principles central to total quality management. The training illustrated in compelling fashion a different model for thinking about the development of human capabilities, and the underlying assumption that all people can learn and contribute. THe subgroup recommended that all Commissioners receive this training, perhaps at the July Commission meeting.

The Subgroup plans to convene a roundtable of experts on this subject to discuss next steps on July 1-2.

Remarks: Roberts Jones

During the subgroup reports, Assistant-Secretary Roberts Jones joined the group. MacAllister asked him if he would like to address the Commission.

Jones provided a status report on Labor Department activities that would affect the Commission and its work. First, Jones cited the work of the SCANS Commission. He indicated the Department's intent to take the SCANS message, including the final reports, across the country to businesses and schools. He also noted that many school systems are already incorporating a SCANS certification into the curriculum.

Jones expressed the belief that attention would now turn to the work of the Advisory Commision. "This Commission is in place on a longer-term, more permanent basis, dealing with this human resource issue," he said. Jones indicated that the Commission is at the start of a "more visible and broader conversation," as we embark on the process of public hearings and meetings on skill standards--and the input received through the process will influence the Department's direction.

Second, Jones stressed the importance of the President's Job Training 2000 proposal, saying that a legislative package was likely to be introduced within a few weeks. A cornerstone of Job Training 2000 involves community-based skill and assessment centers where individuals (including people that are currently working in downsizing companies) can assess labor market readiness, available jobs, and receive referrals into related training systems.

A second component of Job Training 2000 involves the notion that existing training providers, including community colleges, private proprietary schools, JTPA, and vocational education should have to demonstrate that what they teach is geared toward available jobs and that their graduates can perform in the fields for which they are trained. This would occur in addition to the existing state/ federal licensing processes.

This process is closely related to the third far-reaching initiative, skill standards in the work place. If skill standards are set by industry associations, it will drive federal funding toward community colleges and proprietary schools that meet those standards. Jones spoke of legislation that will be introduced in the Congress on this subject. He suggested that subsequent directions may be shaped through Congressional hearings and the deliberative process that ensues. The power and far-reaching implications of portable credentials are integral to work-based learning, and the Administration is very committed to working with interested industries to explore this approach in the long term, Jones asserted.

Fourth, Jones also mentioned support for a national youth apprenticeship system--a learning environment within the school system that involves formal education as well as job training and work. This approach is being discussed widely on Capitol Hill.

Jones sought to clarify the use of the term "apprenticeship" as one that is more easily understood than school-to-work transition. It is not intended in any way to reflect the current trades apprenticeship program. He suggested that the name may be changed as the process unfolds.

Jones concluded by expressing pleasure and gratitude that the skills standards work would be led by this Commission, and not Federal agencies and employees. Given the focus on the work place, this industry-based approach is particularly appropriate and necessary.

MacAllister then apprised Jones of the Commission's intent to write a letter to the Secretary which would outline progress and recommendations to date as well as some issues and concerns raised during the meeting. MacAllister referred back to the report on skill standards and certification, citing issues where Departmental support is crucial. He specified the need for meaningful support and cooperation between the Departments of Education and Labor as it relates to standards and certification of skills. He also cited the need for more staff support at the Department of Labor, and expessed frustration regarding the uncertainty of continued funding. MacAllister outliined his plans to send the letter to the Secretary, then schedule a meeting to discuss the Commission's recommendations and resolve any outstanding issues.

Jones responded that the Department would continue to "...meet any [requests for support] that are made at any time" and that the level of support needed was likely to increase because of the increased effort at this stage. Jones also indicated that working out differences with the Department of Education was a slow and ongoing process, given that these activities are so new, but that progress has been made on jointly undertaking the hearings, the issues paper, and the whole process.

Deane Cruze raised his concern that the establishment of standards or certification not interfere with collective bargaining relationships. He predicted that doing so would meet with extremely stiff resistance from industry. Jones responded that he expects such differences to be aired during the hearing process. He also clarified that there is no proposal under consideration for the federal government to set standards for the work place. Industry must take the lead in considering whether to set standards that provide portable credentials, much like traditional apprenticeship and a few other industry associations have done.

Next Steps

MacAllister briefly reviewed the plans for moving forward. He announced that a summary of the recommendations would be prepared, along with a statement of the frustrations and shortfalls in the implementation process. The summary will be circulated to the Commissioners for feedback, then sent forward as a letter to Secretary Martin, Del Spurlock, and Roberts Jones. To follow up, MacAllister and the chairs of

the subgroups will then meet with Secretary Martin to report on the work of the Commission and to receive her feedback. The next steps for the Commission will depend on the outcome of that meeting.

Public Comments

MacAllister then opened the floor for comments from the public. Receiving none, he thanked everyone for their interest and attention and adjourned the meeting.

NATIONAL ADVISORY COMMISSION
ON WORK-BASED LEARNING

SUBGROUP REPORTS

APRIL 7, 1992

NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING

U.S. DEPARTMENT OF LABOR
Room N-4649, Frances Perkins Building
200 Constitution Avenue, NW
Washington DC 20210

WORKING GROUP ON SKILL STANDARDS AND CERTIFICATION

At the last meeting of the Commission the Working group submitted an ambitious work program to meet the objectives and needs of the Department's of Labor and Education.

That plan included:

- Assisting the Departments of Labor and Education to develop a working partnership with key players in industry, education, labor, state and federal governments to determine the demand for and shape of a national framework for skills standards;

- Assisting DOL and DOE to initiate pilot projects to develop on a trial basis industry standards;

- Assisting the Departments to establish the research, technical assistance and support base to support the public dialogue and pilot projects; and

- Providing leadership and coordination to the industry, labor and education groups working to develop industry-based skills standards.

The NACWBL working group on skill standards (Ira Magaziner, Doris O'Connor, George Kourpias, Kent Sharples and John Jacob) met on two occasions during the period (January 17 and February 13) to consider its work program and to discuss with officers of the Departments of Labor and Education issues surrounding the proposed public dialogue and pilot projects.

Developing Partnerships through a Public Dialogue on Skill Standards

Commissioners provided (on-request) direct feed-back to the DOL/DOE Task Force on Skill Standards in relation to a draft Federal Register Notice, the location of proposed public hearings and the role of Commissioners in the conduct of hearings around the country on skill standards and certification.

A Federal Register Notice inviting public input on issues surrounding skill standards and certification was published on March 18, 1992. A copy of the notice has been separately distributed to Commissioners. Drafts of the Notice were reviewed by an informal reference group of the Commission. A list of the reviewers is attached.

Commissioners have agreed to chair the hearings as follows:

April 14 - Boston, Massachusetts
Chair: Ira Magaziner

April 21 - Atlanta, Georgia
Chair: Doris O'Connor

April 24 - Chicago, Illinois
Chair: Kent Sharples

April 28 - San Francisco, California
Chair: Kent Sharples

April 30 - Washington, D.C.
Chair: Lino Piedra

(The working group wishes to record its thanks to Lino Piedra for agreeing to assist it by chairing the last hearing in Washington. Delays in clearance of the Federal Register and the need to reschedule hearings as a consequence meant that a number of Commissioners in the working group were unable to chair hearings as originally committed.)

The group also proposes that it be expanded by approximately 20 people, without adding to the membership of the Commission. The Commissioners consider that they can better assist the departments to implement their plans for skill standards and certification by having access to a wider range of expertise and support from business, education, labor organizations, states and community groups. Commissioners made a number of suggestions regarding the appropriate mix of talents and skills required on the expanded working group. The two departments were requested to agree expeditiously on the additional people to be invited to enable the group to continue its work.

Additionally, in order to build the partnership with educators an offer has been made by the chair (Ira Magaziner) to share the chair with one of the Department of Education nominees to the working group.

Pilot Projects on Skill Standards

The working group considered the key characteristics and criteria which it thought would be appropriate for advancing the development of pilot projects with industry. Its advice

to the two departments is that the broad characteristics to be incorporated into the pilot projects should include:

THE CHARACTERISTICS HAVE BEEN DELETED FROM THE REPORT UNDER EXEMPTION 5 OF THE FREEDOM OF INFORMATION ACT. SHOULD THIS INFORMATION BE RELEASED AT THIS POINT IT WOULD ADVERSELY AFFECT THE GOVERNMENT PROCUREMENT PROCESS.

To summarize, in the working group's view the pilot projects should provide for:

-- an inclusive project management structure;

-- standards development and validation for broadly defined occupations;

-- identification of training delivery mechanisms;

-- accreditation processes for training providers;

-- assessment methodology;

-- certification of skills achievement;

-- credit transfer of certified skills achievement; and

-- local implementation.

Six broad criteria were also identified which the group considered could predict success of the pilot projects. The consensus was that industry groups wishing to participate in the pilots should be required to:

THE CRITERIA HAVE BEEN DELETED FROM THE REPORT UNDER EXEMPTION 5 OF THE FREEDOM OF INFORMATION ACT. SHOULD THIS INFORMATION BE RELEASED AT THIS POINT IT WOULD ADVERSELY AFFECT THE GOVERNMENT PROCUREMENT PROCESS.

Further, the group noted that the Departments of Labor and Education were planning to conduct two separate demonstration projects on skill standards and certification. It considered that two separate and parallel demonstration projects on skill standards and certification would both confuse industry and send signals that cooperation between the departments was breaking down. The group's advice is;

- o that the two separate demonstration projects be brought together and put out to industry as one pilot exercise;

- o the pilot projects use the criteria outlined above, but modified in light of fresh

information and insights obtained through the public hearing and submission process;

- o the pool of potential applicants for grants be widened and an open competition conducted; and

- o members of the working group participate where appropriate in the selection of applicants for grants;

The working group added that if it is impractical in the first year of operation for the two departmental skills standards and certification projects to be joined as one, then the two departments should use the same criteria as outlined above and form a joint panel for the selection of grantees from the applicants.

Next Steps

During the next 3 - 4 months the working group proposes to;

- o convene the expanded working group;

- o chair the public hearings as outlined above;

- o consider the analysis of the information provided through the public hearings and written submissions, including, if necessary, through the conduct of further expert roundtables;

- o develop a report on the outcomes of the hearings for consideration by the full Commission at the July 23 meeting;

- o assist the departments in encouraging industry groups to participate in the pilot projects;

- o participate where practical and appropriate in the selection of applicants for grants in the pilot projects to develop industry-based skill standards and certificates;

- o consider a research program which might be pursued by Labor, Education and any other groups wishing to partner in the development of voluntary industry based skill standards; and

- o consider the technical assistance needs of the participating industries in the pilots.

The working group notes that the program continues to be ambitious, reflecting in its view both the importance and urgency of the issues. It is looking to the Departments of Labor and Education to match the working group's commitment with an adequate level of

resources and responsiveness.

RECOMMENDATION TO THE FULL COMMISSION

The working group recommends that the Commission:

1. Note the report;

2 Endorse the advice of the working group to the Department; and

3. Agree to the advice being formally transmitted to the Department.

IRA MAGAZINER
FOR THE WORKING GROUP

ATTACHMENT

NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING

Reviewers for Skill Standards Issue Paper

Robert G. Sheets
Director
Human Resource Policy Program
Center for Governmental Studies
Northern Illinois University

Jack Bowsher
Consultant

Dan Marschall
Deputy Assistant Director
Human Resources Development Institute, AFL-CIO

Jean Wills
Director
Center for the Study of Education and Employment

Charles Bradford
Director of Apprenticeship, Employment and Training
International Association of Machinists and Aerospace Workers

Tom Balanoff
Director
Building Service Division
Service Employees International Union

Bob Glover
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The Center for the Study of Human Resources
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SUBGROUP ON THE INTEGRATION OF TECHNOLOGY DIFFUSION AND HUMAN RESOURCE DEVELOPMENT

APRIL 7 MEETING OF THE FULL COMMISSION

FINDINGS

1. **It is evident that there are many organizations already addressing the issues of technology diffusion, economic development, and training.**

The subgroup heard about a range of activities being provided through several existing networks. Activities included technical training, basic skills assistance, help in modernizing through the use of new technology, assisting in training required to operate new technology (e.g., CAD/CAM), developing community college capacity to respond to customized training needs, and providing training in quality processes.

2. **Addressing the issues of new technology, training, and economic development can and should be integrated under a broad definition of the term "modernization."**

Most of the programs existing in each of these areas today recognize this but are only beginning to take steps to respond to client needs.

3. **There is a role for the Federal government; that role appears to be evolving at this time.**

The subgroup has preliminary ideas about appropriate actions that will help to define the Federal government role. Generally, that role appears to involve supporting those organizations providing direct services and technical assistance to small and mid-sized firms rather than delivering services from the Federal level.

RECOMMENDATIONS AND NEXT STEPS

DOL should support the vital ongoing efforts discussed today in the following ways:

1. **Convene a meeting of State officials from those states already restructuring** agencies and responsibilities to integrate some of these training, economic development, and technology diffusion functions.

These officials can share ideas about what they did and how they did it. It would be best to produce a guidebook from this meeting that other states considering similar changes could use as they formulate their approaches.

2. **Encourage support for industry associations** that are taking steps to support their members' efforts to modernize, restructure, and provide quality training.

In our research and discussions, there has been a virtual consensus that employers turn to associations first for assistance. The Labor Department should work with organizations interested in these issues (e.g., the Committee for Enterprise Development) to identify several associations in the critical industries cited by the Competitiveness Council and discuss how DOL can support--during the next Program Year--their efforts in these areas.

3. **Convene a meeting of senior executives** responsible for operations in large firms to **assess how to promote adoption of the quality principles through the supplier networks** of large corporations.

Supplier firms are usually small, are facing terrific competitive pressures, and don't have the resources to initiate such modernization efforts alone without some type of support or assistance. There are many examples of large companies that have set high standards for suppliers and worked cooperatively with them to achieve those standards. This meeting could consider options for encouraging such relationships.

4. The Department should further explore the possibilities for **joint action with the Department of Defense**, particularly the Manufacturing Technology Program. Preliminary discussions have indicated that there is good potential for addressing this agenda in a collaborative fashion.

5. **All of these efforts should be closely coordinated** (i.e., jointly sponsored, if feasible) with other organizations, including in particular Federal agencies, to ensure that efforts are not duplicated.

6. The subgroup also has recommendations regarding proposed directions the Department is contemplating regarding the provision of technical assistance and support for small and mid-sized employers. The Department should:

-- **Work primarily with organizations that provide direct services** to small and mid-sized firms, rather than trying to deliver services directly;

-- **Focus initial activities on determining the needs of the customer**, taking some concrete steps to solicit that information in order to formulate appropriate responses, and take a customer-focused approach overall; and

-- **Begin with short-term, concrete, achievable actions** (e.g., such as activities recommended by the subgroup above--providing seed money to expand existing efforts, publishing resource maps, convening meetings of potential partners) to establish the Department's credibility and interest in these issues.

Resource People: Integrating Human Resources and Technology Subgroup

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NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING

DIVERSITY SUBGROUP

Patrick Daly, Chairman, Patrick F. Daly & Associates
Subgroup Leader
John Jacob, President, the National Urban League
Doris O'Connor, Sr. Vice President, Shell Oil Foundation
Jack MacAllister, Chairman, US WEST, Inc.

BACKGROUND:

Traditionally, promoting diversity in the workplace has been viewed as the fair thing to do. Most affirmative action policies are based on this assumption. In recent years, as demographic changes have brought greater diversity into the workplace, many companies have adopted the view that diversity is a problem to be managed. They see the challenge as molding employees from different backgrounds to fit into prescribe roles and to adjust to standard operation procedures. We have found a growing number of companies, however, are adopting a very different approach to diversity. They are moving beyond diversity as a fairness issue or a management problem to value diversity as a strategic competitive asset.

To achieve high levels of productivity and quality, companies are finding they must fully utilize the skills and knowledge of all employees. Capitalizing on the different backgrounds of employees enables organizations to gain new perspectives on products, services and processes. By viewing differences as an asset, rather than a problem, organizations build their workforce's self-esteem and confidence, which translates into commitment to the success of the business.

Capturing these benefits requires new systems of management that focus on maximizing the contributions of a diverse workforce by valuing their differences. A number of companies are experimenting with new systems. The mission of the Diversity Subgroup is to identify these new models, determine what works and under what circumstances, and propose ways the Labor Department can help promote them across a broader cross-section of American workplaces.

THE FOLLOWING STRATEGY HAS BEEN PURSUED:

1. Determined what the Department of Labor is currently doing to meet the needs of the workforce regarding diversity

2. Determined what the role for the subgroup should be to add value to the work of the Department

3. Experience diversity training for subgroup members to increase level of understanding of subject

4. Bring together practitioner and consulting experts from around the country to secure their input on recommendations to the department of Labor for building on its current efforts

LABOR DEPARTMENT:
The various agency heads were consulted to determine what was the current status of the diversity work at the Department of Labor with particular attention to the Total Quality Management link. We found that the current Best Practices Data Bank does not specifically have a diversity piece. We found that much work is being done in the glass ceiling area which is a term that refers to artificial barriers based on attitudinal or organizational bias that prevents qualified minorities and women from advancing into mid- and senior-level management positions. It was born out of the Office of Federal Contract Compliance Programs (OFCCP) a regulatory arm whose mandate is to ensure that Federal contractors guarantee equal employment opportunity without regard to race, sex, color, religion, national origin, disability, or veteran status. There is a four pronged effort underway : 1) An internal educational effort within the Department of labor: 2) A pilot study looking at nine individual companies: 3) Public awareness to the issue and encouragement of voluntary efforts; and, 4) An effort to recognize and reward publicly those companies which are independently removing their own glass ceiling. Public awareness, encouragement of voluntary efforts, and compliance are a major thrust at this time. OFCCP has published a manual of guidelines for companies to follow lest they find themselves at risk of violation.

In conjunction with the Department of Labor effort, the Glass Ceiling Commission was created by the Civil Rights Act of 1991, Public Law 102-166, November 21, 1991 shall:

A. focus greater attention to the importance of eliminating artificial barriers to the advancement of women and minorities to management and decision making positions in business, and promote work force diversity:

B. study the manner in which business fills management and decision making positions, the developmental and skill-enhancing practices used to foster the necessary qualifications for advancement into such positions, and the compensation programs and reward structures currently utilized in the workplace: and

C. facilitate, establish procedures, and make recommendations for the Frances Perkins-Elizabeth Hanford Dole National Award for Diversity and Excellence in American Executive Management.

The life of the 21 member Commission is four years with its first report due February 21, 1993. The Civil Rights Act directs the Commission to make a report to the President and relevant Committees of Congress. It will also report to the Secretary of Labor who serves as chairman. The Department of Labor has been charged with providing the necessary support for the Commission.

SUBGROUP ROLE

Since much of the concept of work-based learning is about flattening hierarchical institutions, we concluded that the diversity work of the Work-Based Learning Commission is definitely an added value to what is currently emphasized in the Department.

Our goals were to uncover successful companies and distinguish the successful principles and criteria that governed these companies in our effort to heighten awareness and elevate the diversity issue to one of national focus.

Prior to promulgation of successful diversity principles it was necessary to understand the underlying driving force behind the principles to determine the motivating factors that make diversity a problem rather than an opportunity.

DIVERSITY TRAINING

Thus, we sought diversity training for ourselves so that we could understand this 'problem' of diversity, not diversity training based on fairness but diversity training that would have at its heart a focus on Total Quality Management which is the strong competitive link and our original objective. There are few such groups around but we did locate Dr. Jeff Howard of the Efficacy Institute in Lexington, MA who had been working in this area for some time and would be able to deliver the training that we were seeking.

Since the work of the entire Commission is impacted by the diversity issue, we feel that the new paradigm of Dr. Jeff Howard, uncovered by this subgroup, should be brought to the attention of the full Commission.

Dr. Howard is a social psychologist who began his research on the Psychology of Performance as a doctoral candidate at Harvard University in the mid-1970's. Based on work for his thesis, and the fundamental belief that performance and development are based on a process, Dr. Howard presented his first Efficacy Seminar for a group of black undergraduates at Harvard University. Since it was clear that underdevelopment of intellectual resources had broad implications, he developed the Efficacy Seminar for Minority Corporate Professionals in 1977. As his reputation spread as a leader in the intellectual development of minority professionals, so did recognition that the Process of Development works for everyone and for all organizations.

PRESENTATION POINTS:

The basic tenets of his presentation have been reduce to the following points. The full text is available soon for distribution.

I. Quality means reduction in variation.

II. What you want to achieve in product must reduce variation in process.

III. People control the process. To get continuous improvement of process people must be able to continuously improve -- they must be able to learn.

IV. **There are two models**, each fundamentally different in how we think about the development of human capabilities. Each model leads to different human resource development strategies and radically different effects on variation in human capability.

One model assumes that not all people can learn . If quality is desired then thinking must change and the model that assumes all people can learn must be adopted.

RECOMMENDATIONS TO THE DEPARTMENT OF LABOR:

- Further work with Dr. Howard and his new paradigm is recommended on an ongoing basis both for the Commission on Work-Based Learning and the Glass Ceiling Commission.

- The roundtable group of experts who will meet July 1 & 2, should be held in conjunction with the Department of Labor officials involved with the Glass Ceiling work.

NEXT STEPS:

- Recommended one day workshop with Dr. Jeff Howard at the next Commission meeting in July.

- Roundtable group of experts brought together July 1 & 2, 1992 in conjunction with members of the Department of Labor.

NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING
Subgroup on Labor-Management Cooperation

SUBGROUP REPORT
April 7, 1992

The subgroup has pursued a two-part strategy:

- first, to get familiar with the Labor Department's past experience and current activities designed to promote labor-management cooperation
- second, to gather together experts and practicioners from around the country to solicit their input on how the Labor Department can improve on its current efforts

Background

The purpose of the Labor Department is to "foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment."

Prior to the 1980s, the Department's labor-management relations activities were focused on an internal customer, principally the Secretary of Labor. The mission was to keep the Secretary fully informed about industrial relations disputes in unionized industries. The main activities involved tracking labor-management disputes and preparing briefing papers for the Secretary and the executive staff.

During the 1980s, there was growing private sector interest in cooperative approaches to labor-management relations. The Department responded by broadening its research and technical assistance capacity to meet the needs of large, unionized companies for better information on these new labor-relations developments.

Today, as more and more companies are coming to the realization that high levels of quality and productivity are not possible without employee involvement in problem solving and continuous improvement, the demand for information and assistance in developing new models for cooperative labor-management relations continues to grow.

Nevertheless, funding for the Bureau of Labor Management Relations and Cooperative Programs, the operational unit within the Department with responsibility for labor-management relations activities, is scheduled to terminate this Fall.

Recently, Secretary Martin proposed the creation of a new organization within the Department that would integrate its labor-management relations functions with training

and technology-related functions.

National Roundtable

On March 27, the subgroup conducted a national roundtable of labor-management relations experts and practicioners to solicit input on how to improve current Labor Department efforts. The roundtable also discussed what shape the proposed new organization should take.

There was agreement among the participants that:

- The critical competitiveness issue is not only "how labor and management should get along better" but also "how the people who do the work can make improvements in how the work is done." The goal is both cooperative relationships and employee involvement in problem solving and decisionmaking.

- This requires that managers and unions pursue their objectives in new ways, modifying or eliminating structures and systems that impede effective cooperation and employee involvement.

- The change process depends more on the development of trust between various parties than the specific structure that is employed. The particular organizational model is not as important as whether it strengthens or weakens trust.

- Leadership is required from top management and union officials, where appropriate, to sustain and expand the change process.

The roundtable participants then sketched an outline for the new organization:

- The role of the Labor Department is to collect and disseminate information and to provide technical assistance to its customers.

- The customers for a new Labor Department organization should be private enterprise, the public sector, and organized labor.

- The product should be information on the benefits of alternative approaches, what is being done, what works, and under what circumstances. Small and mid-size companies with few resources also require training services at a modest cost

to help implement new strategies. Finally, customers require appropriate changes in public policy to eliminate obstacles to adopting alternative approaches.

- In order to carry this out, the Department needs to expand its policy research and development capacity and develop a decentralized service delivery structure that builds on existing networks.

- Partnerships with other government agencies and with outside networks are required to be effective.

- The Labor Department would need to overcome perceptions that its role is solely regulation and enforcement by adopting a customer service orientation in whatever organizational unit is responsible for these functions.

- To achieve and maintain credibility as a provider of quality services, the Department would need to actively promote employee involvement in problem solving and decisionmaking in its own practice and policies.

Action Steps

Based on the information it has collected, the subgroup proposes that the Department of Labor:

- initiate research on the scope and effectiveness of current labor-management relations strategies and structures, including joint labor-management committees in nonunion companies that promote employee involvement in such issues as health and safety and training

- develop pilot projects to determine what obstacles companies and unions face in implementing alternative labor-management relations strategies, what assistance they require, and what role government can play to facilitate the change process

- identify existing networks that currently provide labor-management relations information and assistance

- examine existing public policies affecting labor-management relations to identify obstacles to promoting better labor-management relations and effective employee involvement in problem solving and decisionmaking

NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING

Human Resource Accounting Subgroup

Progress Report

April 7, 1992

I. National Roundtable Meeting

- Participants
- Objective
- Meeting Summary

II. Next Steps

HUMAN RESOURCE ACCOUNTING SUBGROUP

Objective

Explore whether Human Resource Accounting standards will motivate employers to invest in work-based learning including training for upgrading skills, technology and total quality management.

HUMAN RESOURCE ACCOUNTING ROUNDTABLE

PARTICIPANTS

Jerry Batschi	The Boeing Company
Betsey Blakeslee	U S WEST, Inc
Chris Busa	The Boeing Company
Pete Carlson	Department of Labor
Deane Cruze	The Boeing Company
Stephen Deters	Washburn University
Jeanne Hedican	Department of Labor
Jerry Hultin	Hultin & Associates
Bob Jones	Department of Labor
Bob Lyke	Library of Congress
Jack MacAllister	U S WEST, Inc
Linda Martin	The Boeing Company
Lino Piedra	Chrysler Corporation
Elsa Porter	The Maccoby Group
Prof. Ramanathan	University of Washington
John Rowling	Department of Labor
Marc Rubinstein	Participative Systems, Inc
Sid Rubinstein	Participative Systems, Inc
Ray Siehndel	Washburn University
Jim Van Erden	Department of Labor
Jeff Watts	Deloitte & Touche
Rodney Whitney	The Boeing Company

U. S. MASTER TAX GUIDE

Current Business-Related Credits:

- Alcohol Fuels Credit
- Research Expenditures
- Low-Income Housing Credit
- Enhanced Oil Recovery Credit
- Disabled Access Credit
- Targeted Jobs Tax Credit

WORK FORCE EDUCATION AND TRAINING A NATIONAL PRIORITY

Congress has historically provided tax credit incentives to further economic and/or social objectives. Such incentive credits currently in effect include investment credits for qualifying rehabilitations, energy property and reforestation, targeted jobs credit, alcohol fuel credit, increased research credit, low-income housing credit, enhanced oil recovery credit and the disabled access credit.

These incentive tax credits were put in place to address pressing priorities of national interest. There is probably no issue of greater importance than well-educated and trained work forces to meet the demands of increasing global competitiveness. Our national work force must be able to effectively respond to market shifts and increasingly sophisticated work environments. Because work force education and training is such a critical issue to the country's long-term economic health and international competitiveness, serious consideration should be given to a tax credit to help the country meet this paramount challenge.

HUMAN RESOURCE ACCOUNTING SUBGROUP

Key Discussion Points

In economic downturns, companies will loose their training investment in employees which are laid off. In this respect, training may be viewed as a bad investment.

Lay offs result in a greater overall cost to society.

Perhaps, the emphasis should be on employee maintenance and training of transferrable skills which promote the "employability" of labor resources?

Is a public policy needed?

Accounting: Financial Reporting Considerations

Accounting: Cost Management/ROI Considerations

Tax Incentives/Funding Considerations/Accounting Principles

Are there more significant areas of concern other than accounting that this group should address? Should the objective of this subgroup be restated?.

HUMAN RESOURCE ACCOUNTING SUBGROUP

Next Steps

1. Combine the Human Resource Accounting and Award subgroups
2. Develop a draft of criteria for a National Human Resource Award
3. Research ways in which small and mid-sized companies can get access to capital (e.g., Sallie Mae)
4. Review Prairie State 200 Authority program for application to vo-tech and community colleges infrastructure nation wide.
5. Develop a questionnaire targeted at small and mid-sized companies to understand unique human resource development needs
6. Develop techniques for measuring the return on investment in training/human resource development
7. Develop criteria for workforce needs assessment
8. Research other programs or processes that enable companies to invest in human resource development (e.g., enabling tools):

    - Pathways to the Future, US WEST, Inc.
    - Quality Through Training Program, The Boeing Company
    - Prairie State 2000 Authority, Illinois
    - State Government Plan, Iowa

HUMAN RESOURCE ACCOUNTING AND AWARDS SUBGROUPS

Combined Objectives

Define the indicators that motivate and measure human resource development within companies and identify and develop enabling tools to stimulate industry investment.

The National Human Resources Development Award:

The National Human Resources Development Award will be granted on an annual basis to those companies in America that excel in human resources development.

This award will be granted to companies in four categories:

Large Manufacturing
Mid and Small Manufacturing

Large Service
Mid and Small Service

This award will be given on an annual basis *if there are qualified candidates.* Evaluation will emphasize the following:

- the degree to which performance in categories is linked to the overall business strategy
- maximization of the effective use of technology
- application of quality principles
- management and general employee perceptions of company performance in human resources development

Evaluation procedures and scoring will reflect Baldridge Award requirements.

Companies will be compared both nationally and internationally.

Companies must excel in the following categories to receive the award:

1.0 **Leadership**
- 1.1 Development programs
- 1.2 Succession planning/staffing
- 1.3 Performance evaluation

2.0 **Learning**
- 2.1 Technical training
- 2.2 Quality training
- 2.3 Management training
- 2.4 Sales training
- 2.5 Service training

3.0 **Rewards and Recognition**
- 3.1 Executive compensation
- 3.2 General employee compensation
- 3.3 Sales compensation
- 3.4 Pension and Savings programs
- 3.5 Special awards

4.0 **Diversity**
- 4.1 Criteria for action
- 4.2 Management training
- 4.3 Employee Training
- 4.4 Data collection, measurement and tracking
- 4.5 EEO/AA compliance
- 4.6 Complaint management

5.0 **Health and Safety**
- 5.1 Benefit services
- 5.2 Strategic health care planning
- 5.3 Wellness programs
- 5.4 Safety
- 5.5 Sabbaticals/leaves of absence
- 5.6 Day care/elder care

6.0 **Financial Systems**
- 6.1 Budget allocations
- 6.2 Accounting support

7.0 **Labor Relations**
- 7.1 Partnering programs

8.0 **International**
- 8.1 Human resource strategic planning
- 8.2 Cultural integration
- 8.3 Re-entry

9.0 **Community Relations**
- 9.1 School to work programs
- 9.2 Community welfare
- 9.3 Resource sharing
- 9.4 Environmental practices

NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING

Framework for Action

April 7, 1992

DRAFT

NATIONAL ADVISORY COMMISSION ON WORK-BASED LEARNING

ROLE:

The National Advisory Commission on Work-Based Learning (NACWBL) was established to provide advice on an on-going basis to the Secretary of Labor on ways to increase the skill levels of the American workforce and expand access to training in order to **Improve American competitiveness**.

BACKGROUND:

The commission consists of representatives from industry, labor, community-based organizations, government and education. Our approach is to develop strategies for the Labor Department to be implemented in partnership with the Commission.

In formulating action steps to promote work-based learning, the Commission:

- Gathers customer input and feedback
- Draws on existing expertise through partnerships with experts and practioners
- Provides visibility and recognition for best practices
- Promotes continuous improvement of ongoing efforts
- Implements Commission recommendations in partnership with the Labor Department

The Commission began its work in October of 1991 based on this

"Conventional Wisdom"

- An undereducated and underskilled American workforce is a drag on productivity growth
- Reform of the K-12 education system will produce a higher skilled workforce in the future
- An improved adult education and training system will raise the skills of the current workforce

- Since we basically supported the "conventional wisdom", it seemed logical that

More Training	⇨	Higher Skills	⇨	High Productivity

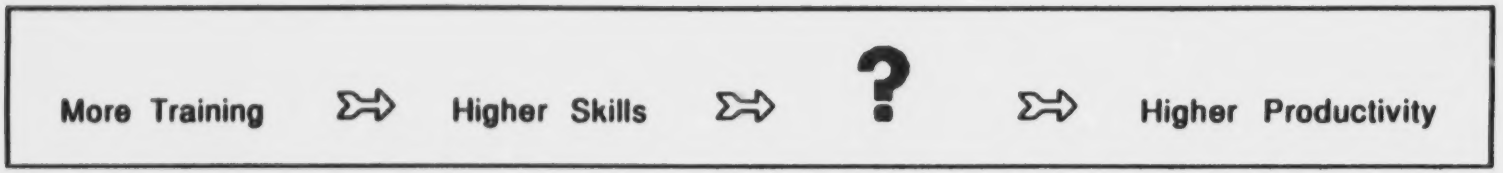
- BUT -

- We concluded that - **it's not that simple** - because . . .

Higher Skills Alone . . .	Do not always Lead to . . .	Higher Productivity

DRAFT: 04/07/92

Something was missing . . .



So we began searching.

We asked the experts . . .

We observed lots of companies . . .
Big and Small,
in Manufacturing and Service . . .

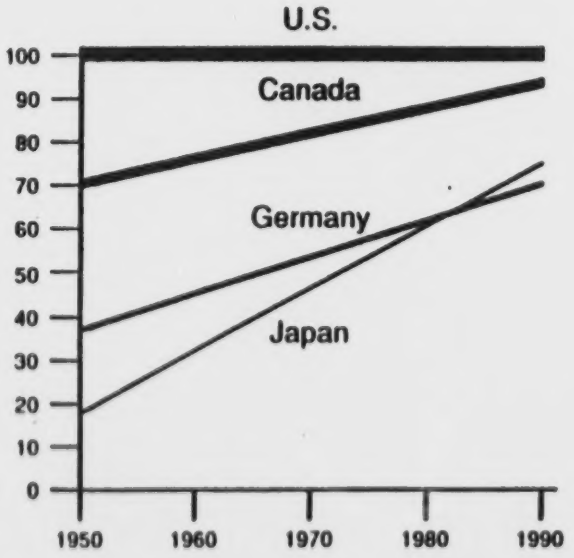
We studied the research . . .

We checked government data . . .

We benchmarked internationally . . .

As a result, we found out a lot about productivity in America

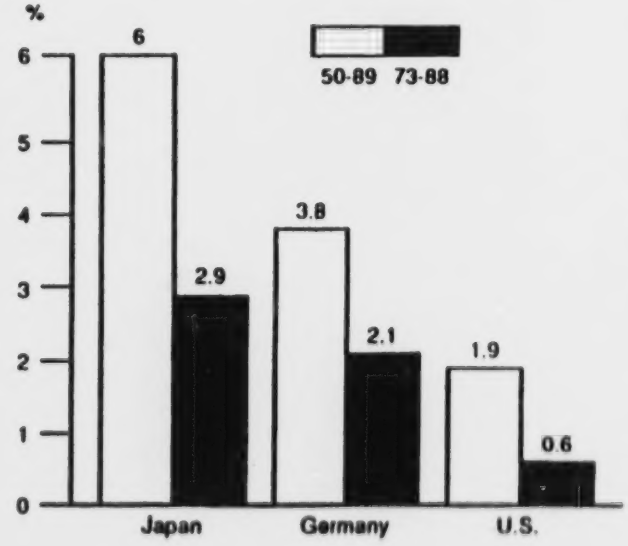
U S Workers Are Currently The Most Productive In The World . . .



The productivity of other nations as a percentage of U.S. productivity 1950-89

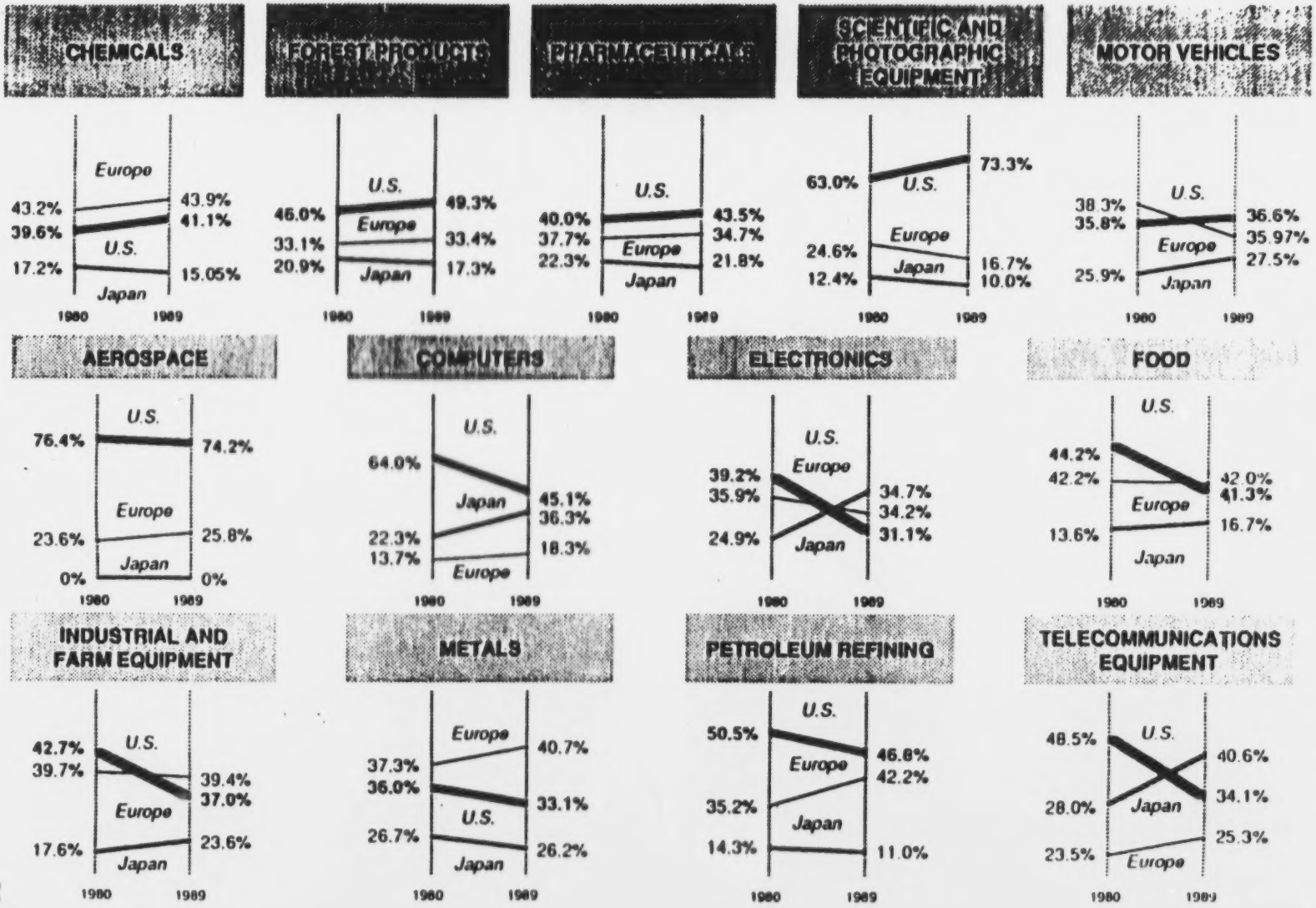
Source: Bureau of Labor Statistics

But Others Are Running Faster



Percentage increase in productivity 1950-89 and 1973-88

Source: Bureau of Labor Statistics



Source: "How American Industry Stacks Up," Fortune, 3/9/92

The data shows that the U. S. is not doing well in some of our major industries . . .

Which leads us to ask the question . . .

SO WHAT?

> "Productivity growth and productivity growth alone is key to competition and a sustainable rise in our living standard."
>
> Business Week (Editorial) 02/03/92

In other words . . . . . .

The living standards of Americans have eroded because of our decline in productivity:

- Although the number of jobs in America has increased by 50 percent since 1969, **real wages have fallen by 13 percent**.
- If productivity had grown as fast after 1973 as it did before 1973, the average family income would be **37 percent greater** than it is today.

So why didn't productivity keep growing?

Because a lot of things in the world changed . . .

DRAFT: 04/07/92

Changing Our Productivity Focus

	Historic:	*Today:*
INVESTMENT	American companies invested in new plants and equipment and created new technology to boost productivity.	Capital and new technologies can be transported globally, reducing the advantages to any one nation or company.
NATURAL RESOURCES	Our abundant natural resources provided us with a competitive advantage.	Natural resources can be purchased by any country from many available sources.
MARKETS	We sold our products primarily to our own internal and captive market.	Market opportunities are global and American consumers increasingly purchase products provided by other countries.
EDUCATION	Educational systems produced individuals suited for a mass production economy.	Our educational systems fail to provide a critical mass of highly skilled workers.
TIME	Without global competition the U.S. developed products and services at a rate which satisfied its internal market.	Global competition, new technologies, and changing consumer preference makes **speed** of development, delivery and service a key competitive factor.

Changing Our Productivity Focus

	Historic:	*Today:*
NSUMER EFERENCE	Consumers purchased products and services that were determined internally by companies and organizations.	Consumers demand customization and variation in products and services and the survival of providers depends on responsiveness and flexibility.
NFRA-TRUCTURE	America invested heavily in the infrastructure necessary to produce and deliver products: railroads, telegraph, mail service, telephone, water treatment and irrigation systems, electricity, hydro-electric projects, commercial airlines and a national highway system.	Unlike our competitors, we have no national strategy for improving our infrastructure to include: fiber optic networks, digital libraries, intelligent highways, smart cars, mag-lev trains, and broadband integrated digital services networks, or to determine what is necessary or not necessary to maintain in our current infrastructure.
UMAN SOURCES	People "managed" in order to accomplish corporate or organizational goals and worked as individual contributors.	People are "developed" in order to improve quality and speed of delivery of products and services and work in teams.
UBLIC OLICY	Public policy decisions were established which had both positive and negative effects on competitiveness.	Our public policy decisions compete with the public policies of other countries where it is viewed as a strategic competitive advantage.

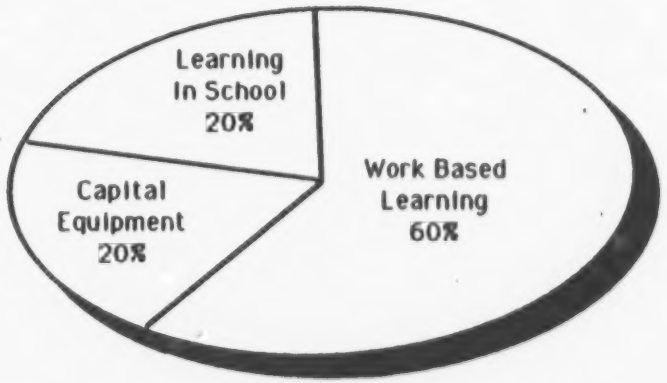
PUBLIC POLICY

In order to boost productivity in America, our current public policy debate is focused primarily on investment in new technology and reforming education.

- BUT -

This overlooks a critical factor in productivity growth . . .

Historically, work-based learning has generated significantly higher productivity gains than investments in formal education prior to work or investments in capital



Sources of U.S. Productivity Growth, 1935-1985

Source: The American Society for Training and Development

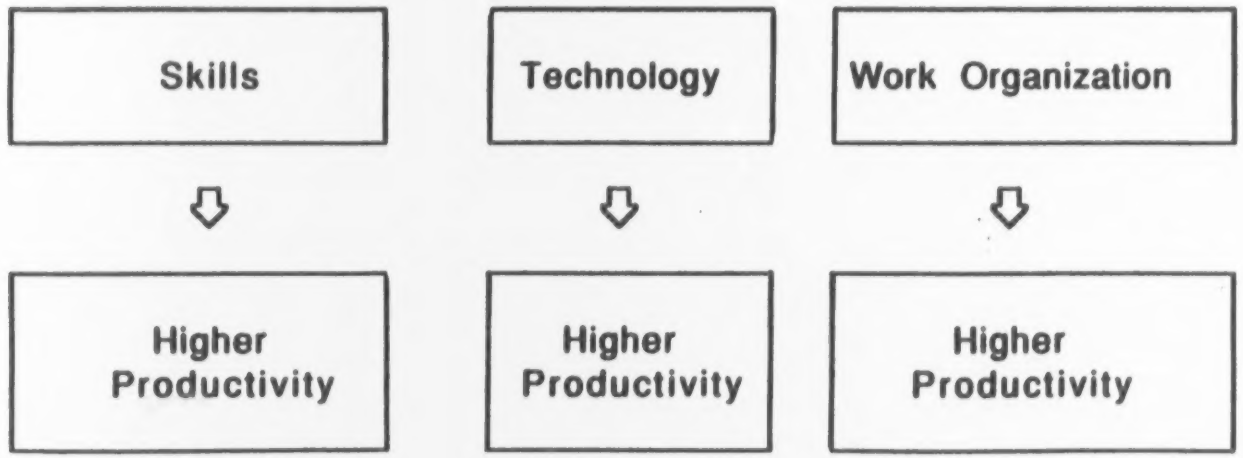
What is "Work-Based Learning?"

- "Work-Based Learning" is not just training.
- Training is an activity designed to increase employees' knowledge and skills.

> "Work-Based Learning" is the process of applying knowledge and skills to problem-solving and continuous improvement.

- Most companies are not able to fully capitalize on work-based learning.
- They often seek productivity improvements by focusing on just one or two factors without application of appropriate resources.

COMPONENTS OF WORK-BASED LEARNING



They are unable to capitalize on the synergy that results from their integration.

NEW STRATEGY

To reap the productivity benefits from work-based learning, companies must adopt a new strategy that focuses investment of substantial time and resources on these areas **simultaneously**:

- Upgrading Skills
- Effective use of Technology
- Restructuring Work

Companies must also change the way they approach each of these areas . . .

Upgrading Skills

Historic Model:	*Required Today:*
• Specialization in specific function or task	• Multiskilling to perform a variety of functions within teams
• Training focused primarily on management	• Continuous formal and informal learning for everyone in the workforce
• Job security provided by individual employers	• Employment security achieved by individuals with portable skills
• Individual firm-based training	• Integrated networks of service providers
• Training viewed as an end in itself	• Training conducted as integral component of business strategy

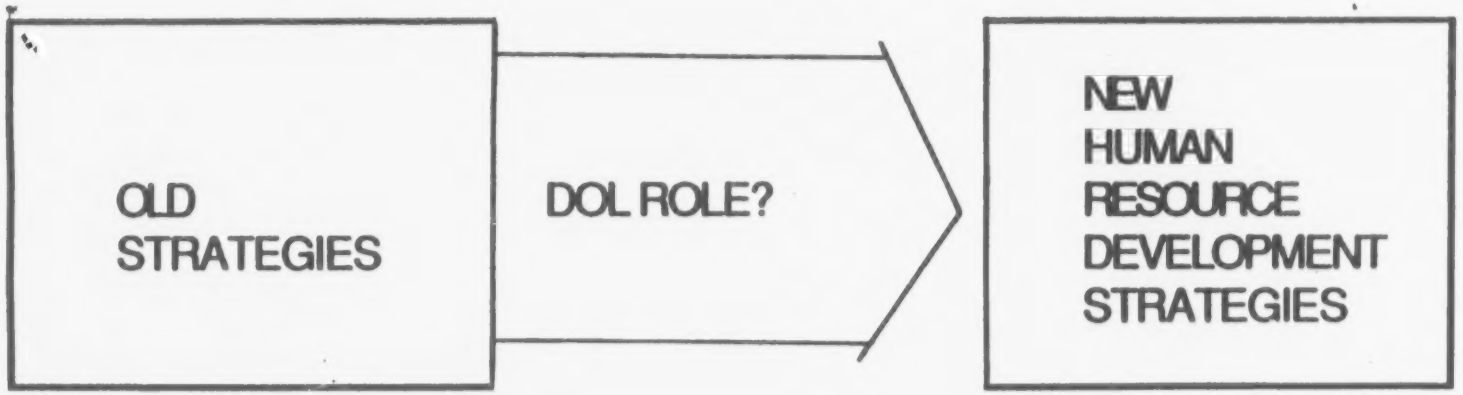
Work Organization

Historic Model:	*Required Today:*
Decisions made and carried out through hierarchical command structure	Decision making widely diffused throughout the organization to respond quickly to customer needs
Specialization of functions with central planning and control	Networks of multi-functional, self-managed teams
Workforce considered operators of tools of production	Employees actively involved in designing and improving technology and work processes
Innovation primarily occurs through isolated breakthroughs by engineers, dedicated research or development staff	Continuous improvement of every aspect of business by all employees
Quality assured by inspection or repair at back end of process	Quality built in at front end and designed into process
Employees follow prescribed standard operating procedures	Procedures undergo continuous improvement with employee input

HUMAN RESOURCE DEVELOPMENT

- Carrying out these new strategies requires a significantly greater commitment to human resource development within American companies.
- As evidenced by the information previously presented, this change process is both comprehensive and difficult.
- The Department of Labor has the opportunity to add value in assisting large, mid and small companies in their efforts to achieve productivity gains from work-based learning.

What is the role of the Labor Department in assisting the transition to new human resource development strategies?



ACTION PLAN

- The Commission carefully reviewed existing recommendations*, and in partnership with leading national experts and practitioners identified significant areas of focus for the Department of Labor.

- These areas of focus were chosen because of our belief in both their importance and their ability to be implemented.

- Many more are needed and will be developed on an ongoing basis.

*See Appendix 1

These are the action areas* the Commission is currently implementing in partnership with DOL:

WORK BASED LEARNING

Upgrading Skills	Use of Technology	Work Organization
- develop a framework for a national, voluntary, industry-based system of skill standards	- develop a plan for integrating training and human resource development with efforts to share new technology with small and mid-sized firms	- explore methods for changing accounting systems to promote human resource development - provide models of effective systems that promote diversity as a strategic corporate asset - provide strategies to promote labor/management cooperation in the implementation of work-based learning - Revamp the Department of Labor's current LIFT Award to provide national recognition for those companies excelling in human resources development

*Subgroup participants are noted in Appendix 2.

National Advisory Commission on Work-Based Learning Subgroups

Integrating Training and Technology

Chair: Governor John McKernan
Commissioners: Carol Ball
Hank Henderson
Lynn Williams
Staff: Mark Troppe

Labor Management Cooperative Programs

Chair: John Sweeney
Commissioners: Bob DeMattia
Deane Cruze
George Kourpias
Staff: Pete Carlson

Human Resource Accounting

Chair: Deane Cruze
Commissioners: Ray Siehndel
Allen Jacobson
Staff: Linda Martin

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National Advisory Commission on Work-Based Learning Subgroups

Managing Diversity

Chair:	Pat Daly
Commissioners:	Jack MacAllister
	John Jacob
	Doris O'Connor
Staff:	Jeanne Hedican

Human Resource Award

Chair:	Lino Piedra
Commissioners:	Liz Karnes
Staff:	Betsey Blakeslee

Skills Standards Certification

Chair:	Ira Magaziner
Commissioners:	John Jacob
	George Kourpias
	Doris O'Connor
	Kent Sharples
Staff:	John Rowling

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